

Digest of a Follow-up Review of the Davis Mental Health Center Non-Client Activities

We conducted a follow-up audit of **A Performance Audit of Davis Mental Health Center Non-Client Activities** (report #97-07) released in November 1997. The Legislative Audit Subcommittee requested this follow-up audit because of the serious issues raised in the previous report. Our follow-up work was done to assess what progress the Davis Mental Health Center (Davis) has made since we issued our initial report. We are pleased to report that they have made substantial progress in implementing the recommendations over the last year although some issues still need to be completed.

Our November 1997 audit report found a need for major improvements in certain administrative practices of the center. We reported significant concerns with poor center controls and insufficient oversight that allowed the director to abuse his business travel privileges and gain significantly from compensation and perquisites. We also reported on some significant concerns with the operation of a recreational therapy program that was not necessarily in the best interest of Davis clients. Finally, the report showed that the director used funding from a second organization in a manner unacceptable to the funding donors.

Several important changes have occurred at Davis since we released our report. First, in December 1997, the director of the center resigned. His resignation came after the Davis Board of Trustees instituted disciplinary proceedings. Second, the board formed a search committee to recommend a new director and, after a national search, hired a new director. The new director began working in November 1998. Third, most Davis board members, responsible for oversight during the initial audit, have left as their terms expired, and they have appointed new board members to replace them. Finally, the Davis board has been increased from nine to eleven members.

Eighteen recommendations were made in our initial report that were addressed to three separate groups: the Davis County Commission, the Attorney General of Utah, and the Board of Trustees of Davis Mental Health. All recommendations are either fully implemented or in the process of being implemented.

A discussion of each recommendation, reported action, and findings are discussed in the full report. The highlights include:

- The Davis County Commission as the mental health authority has the ultimate responsibility for state and federal funds and has become more involved in audit exit meetings and in choosing new board of trustee members. To prevent future problems, the commissioners have placed several additional oversight measures on Davis Mental Health.

- Board resolution severed all ties with the associated private funding organization. Specifically, the board stated that no employees or trustees of Davis should serve as board members or staff of the associated private funding organization; that Davis would no longer provide support services to the associated organization; and, that the associated organization would no longer use Davis facilities. Finally, the Davis board instructed the center to pursue their own private donations. Although the Davis board severed all ties with the associated organization, some fiscal matters need to be resolved.
- The Davis Mental Health Board reviewed the practice of high impact recreational therapy and decided to discontinue the Western Wilderness Institute. Davis terminated the part-time employees, reassigned the full-time employee and locked up the equipment. Davis will only provide recreational activities for center clients. In the future, if high impact therapeutic recreation is to be provided to Davis clients, it will be provided using established outside providers.
- The Utah Attorney General's office is continuing their criminal investigation of the activities of the past director. They have not finalized a decision on criminal charges.
- The Davis Board implemented new travel policies based on our recommendations requiring all director travel, other than non-overnight, to be reviewed and pre-approved. The new travel policy also requires employees to submit an approved reimbursement form to the business office within 30 days after the travel occurred. The travel policies specifically state that they do not reimburse travel expenses for a companion/spouse. The travel policies specifically state that they require original receipts for reimbursement. The travel policies also states that the center will not reimburse an employee for the value of frequent flyer/damage coupons. We found a few minor problems during the follow-up review in the travel area.
- The center has made a lot of progress to organize and secure the recreational equipment. However, they did not label or identify some equipment as Davis property. Water equipment, originally used by the Western Wilderness Institute, will be sold in the future.
- Davis is discussing new center purchasing policies that will centralize all purchases (except emergency items) under one purchasing agent and a purchasing committee.